

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2320 - SB 2353

April 7, 2016

SUMMARY OF BILL: Authorizes the Commissioner of the Department of Revenue to enter into agreement with a taxpayer consenting to a claim for refund being filed beyond the three-year period currently established pursuant to Tenn. Code Ann. § 67-1-1802(a), if the taxpayer affirms that the taxpayer's overpayment is the result of negligence or fraud by a person who prepared the taxpayer's returns.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – An unknown increase in the amount of tax refunds made by the Department of Revenue for overpaid taxes due to negligence or fraud by tax preparers for claims filed beyond the currently established three-year period. Due to multiple unknown factors, any such increase cannot be quantified with reasonable certainty.

Assumptions:

- Pursuant to Tenn. Code Ann. § 67-1-1802(a), the Commissioner is authorized to refund a taxpayer all taxes collected or administered by the Commissioner that are paid in error or paid against any statute, rule, regulation or clause of the constitution of Tennessee or of the United States, if the taxpayer files a claim within three years from December 31 of the year in which the payment was made.
- The proposed legislation would authorize the Commissioner to refund a taxpayer for claims filed beyond the established three-year period, if such taxes were paid in error as a result of negligence or fraud by a person who prepared the taxpayer's returns.
- Due to multiple unknown factors, such as the number of taxpayers that will file such claims in the future, the total amount of overpayment of taxes for which such claims will be filed, and the timing of any such filings, a precise fiscal impact for this legislation cannot be quantified with reasonable certainty.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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